

VIRGINIA DEPARTMENT OF TAXATION

www.tax.virginia.gov



Handbook for Authorized Tax Preparers and Electronic Return Originators (EROs) of Virginia Corporate Income Tax Returns Tax Year 2012/Processing Year 2013

REV. 12/2012

TABLE OF CONTENTS

PURPOSE OF PUBLICATION.....	3
VIRGINIA CONTACT DIRECTORY.....	3
VIRGINIA E-FILE CALENDAR FOR TAX YEAR 2012	3
VIRGINIA FED/STATE E-FILE PROGRAM.....	4
LEGISLATIVE CHANGES FOR TAX YEAR 2012	6
VIRGINIA’S E-FILE REQUIREMENTS	7
ELECTRONIC RETURN ORIGINATION.....	10
APPENDIX A – SCHEMA VALIDATION BUSINESS RULES	13
APPENDIX B – BUSINESS RULES FOR TAX YEAR 2012.....	14
APPENDIX C – DISPLAYED ACKNOWLEDGEMENT ERROR.....	20

Purpose of Publication

This publication outlines the rules and requirements for participation in Virginia e-File by Authorized e-File Providers filing Corporate Income Tax Returns and related forms and schedules.

Virginia Contact Directory

TOPIC	SERVICES OFFERED	CONTACT INFORMATION
CUSTOMER SERVICES	Taxpayer Assistance M-F, 8:30 a.m. - 4:30 p.m.	804-367-8037
TAX PROFESSIONAL HOTLINE	Tax Professional Assistance M-F, 8:30 a.m. - 4:30 p.m.	804-367-9286
CORPORATE E-FILE HELP DESK	Fed/State e-File Software Developer, Tax Professional, and ERO Assistance	bus_efile@tax.virginia.gov
VATAX ONLINE	Electronic Return Payments Electronic Bill Payments Tax Information	www.tax.virginia.gov

Virginia e-File Calendar for Tax Year 2012

ATS testing begins (in conjunction with the IRS) November 5, 2012

Begin transmitting returns to IRS/Virginia January 7, 2013

Note: Virginia follows the IRS e-File calendar. The dates are based upon the IRS System availability and are subject to change.

e-Alerts

Virginia e-Alerts is a free online service that provides up-to-date on events that affect e-file throughout the filing season and beyond. Sign up for e-Alerts at www.tax.virginia.gov.

e-File Page

Virginia e-File Page available at <http://www.tax.virginia.gov/site.cfm?alias=corporateefile> provides information and updates to the e-file stakeholders.

Virginia Fed/State e-File Program

Virginia's Corporate e-File program works with the IRS Fed/State 1120 e-File program. This allows Providers to file both federal and state returns electronically for the taxpayer. In addition to accepting federal and state corporate income tax returns electronically in a single transmission, State Only returns are also accepted. See Linked and Unlinked Sections for more information.

Like a paper tax return, an e-File tax return consists of a series of tax forms, schedules, and attachments that can be submitted.

The Corporate e-File program will start accepting production corporate income tax returns on January 07, 2013. This date is based upon IRS System availability and is subject to change.

Automatic Registration

Acceptance by the IRS as an ERO automatically qualifies tax professionals to submit Virginia corporate income tax returns electronically. The tax professional must register with the IRS and be accepted as an Electronic Return Originator (ERO). The IRS assigns each ERO an Electronic Filer Identification Number (EFIN). After the tax professional is accepted as an ERO, the tax professional can then submit returns. For more information, visit the IRS's website at www.irs.gov.

Types of Filing

Virginia's corporate e-File program accepts two kinds of submissions:

Linked

Linked filing is when the federal and state returns are filed together in one transmission to the IRS. The IRS validates and verifies the federal return data. The IRS will either accept or reject the federal return. The state return is made available to Virginia only if the federal return is accepted by the IRS.

Note: If a federal return is rejected in a Linked submission, the state return is not made available to Virginia. The retransmission should include both the federal return and the state return.

Unlinked

Unlinked filing is when the state return is transmitted through the Federal/State system without simultaneously transmitting an original federal return. The software must support unlinked filing in order for the state only transmissions to be available to the electronic filer. Unlinked returns are transmitted to the IRS and made available for states to retrieve in the same fashion as the Linked transmission.

Note: Virginia requires a copy of the complete federal return, including federal binary attachments, in the state submission.

Supported Forms

The Virginia schemas will be used in conjunction with IRS Federal/State 1120 schemas. Virginia's state specific schemas support the forms and schedules listed below.

- **Form 500** - Virginia Corporate Income Tax Return
- **Schedule 500AB** - Schedule of Related Entity Add Backs and Exceptions
- **Schedule 500AC** - Schedule of Affiliated Corporate Consolidated and Combined Filers
- **Schedule 500ADJ** - Schedule of Adjustments
- **Schedule 500A** - Multistate Corporate Allocation and Apportionment of Income
- **Schedule 500CR** - Credit Computation Schedule
- **Schedule 500FED** - Schedule of Federal Line Items
- **Form 500C** – Underpayment of Virginia Estimated Tax
- **Form 500T** – Telecommunications companies Minimum Tax
- **Form 500EL** – Electric Suppliers Corporation Minimum Tax and Credit Schedule

Current and Prior Tax Years Accepted

Virginia's e-File program will accept Tax Years 2012, 2011 and 2010 original returns for Form 500 and 2012 and 2011 amended returns.

Electronic Postmark

A Transmitter may provide an electronic postmark to taxpayers that file corporate Income Tax Returns through an ERO or through Online Filing. The Transmitter creates the electronic postmark bearing the date and time (in the Transmitter's time zone) that the return is received at the Transmitter's host computer. The taxpayer must adjust the electronic postmark to the time zone where the taxpayer resides to determine the postmark's actual time.

If the electronic postmark is on or before the prescribed deadline for filing and the Department receives the return after the prescribed deadline for filing, the Department treats the return as timely filed. If the electronic postmark is after the prescribed deadline for filing, the Department treats the return as being filed late. If the electronic postmark is not available, then the IRS received date is used.

Acknowledgement of Returns

Virginia will send an acknowledgment for all returns received. Acknowledgment types are:

Accepted – This acknowledgment indicates the electronic return was received and accepted. The transmission has successfully completed the pre-entry validation process. No further action is required.

Rejected – This acknowledgment indicates the electronic return was received and rejected. The acknowledgment contains codes with error descriptions, provided in **Appendix A and Appendix B** of this document indicating the cause of the rejection. The error condition(s) must be corrected and the return can then be re-transmitted as an “Unlinked” transmission.

Note: Acknowledgement files must be retained for one year after transmission.

Legislative Changes for Tax Year 2012

Corporation Electronic Filing Mandate

The 2012-2014 Appropriations Act (273 of HB 1301 - Acts of Assembly 2012 Special Session I, Chapter 3), effective January 1, 2013, requires all corporations to file estimated tax payments and their annual income tax return and final payment using an electronic medium in a format prescribed by the Tax Commissioner. Accordingly, for taxable years beginning on or after January 1, 2012, corporations must file and make return payments electronically. Estimated tax payments must be made electronically for taxable years beginning on or after January 1, 2013. Waivers may be granted only if the Tax Commissioner finds that this requirement creates an unreasonable burden on the corporation. All requests for waivers are to be submitted to the Tax Commissioner in writing. FAX waiver requests to: **804-367-3015**

Retail Companies Apportionment

For taxable years beginning on or after July 1, 2012, but before July 1, 2014, retail companies are required to determine their Virginia taxable income by using an apportionment formula with a triple-weighted sales factor. A single sales factor apportionment formula will be phased in over a three-year period beginning as a triple-weighted sales factor, followed by a quadruple-weighted sales factor, and then a single sales factor for taxable years beginning on and after July 1, 2015. See Schedule 500A instructions for further information and qualifications.

Telework Expenses Tax Credit

House Bill 551 and Senate Bill 238 extend the telework expenses tax credit to January 1, 2017. An employer shall be allowed an income tax credit for eligible telework expenses incurred during the calendar year that ends during the taxable year. The amount of the credit cannot exceed \$50,000 per employer for each calendar year. To claim a credit for the 2013 taxable year, taxpayers must have submitted a credit reservation application, Form TEL-1, between September 1 and October 31 2012. Visit <http://www.tax.virginia.gov> for more information.

New Addition Code 18 – Telework Expenses

Corporations that claim the Virginia Telework Expenses Tax Credit are not allowed to exclude those expenses from Virginia taxable income. To the extent excluded from federal taxable income, any expenses incurred by a taxpayer in connection with the Telework Expenses Tax Credit must be added to the Virginia return.

New Subtraction Code 62 – Historic Rehabilitation

To the extent included in federal taxable income, any amount of gain or income recognized by a taxpayer in connection with the Historic Rehabilitation Tax Credit is allowed as a subtraction on the Virginia return.

Advancement of Virginia’s Fixed Date Conformity with the Internal Revenue Code

Virginia’s date of conformity with the Internal Revenue Code (IRC) was advanced from December 31, 2010, to December 31, 2011, with limited exceptions. Virginia will continue to disallow federal income tax deductions for the 30% and 50% bonus depreciation allowed for certain assets and the five-year carryback of federal net operating loss deductions generated in taxable years 2008 or 2009. Also, Virginia will continue to disallow the income tax deductions related to applicable high yield discount obligations under IRC § 163(e)(5)(F). In addition, fixed date conformity adjustments continue to be required for Cancellation of Debt Income under IRC § 108(i), and the domestic production deduction under IRC § 199. At the time these instructions went to print, the only required adjustments for “fixed date conformity” were those mentioned above. However, if federal legislation is enacted that results in changes to the Internal Revenue Code for the 2012 taxable year, taxpayers will be required to make adjustments to their Virginia returns that are not described in the instruction booklet. Information about any such adjustments will be posted on the Department’s website at www.tax.virginia.gov.

Virginia’s e-File Requirements

Purpose

This section provides important information for the EROs and Tax Preparers to handle the important changes made by Virginia for Tax Year 2012.

Corporation Electronic Payment Requirement

Effective with Taxable Year 2012 returns, all corporations must pay the tax due payment through the e-File system as a direct debit or with an ACH Credit established through the corporation’s bank.

PDF attachments to Form 500

- The tax return computation documentation is required when the combined checkbox is checked on page one, Form 500
- A completed 500A is attached for each entity included in the combined filing when the Manufacturer's modified apportionment method (500A) is elected and the combined checkbox is checked
- The Nonapportionable Investment Function net Income and Loss requires a statement(s) (applicable only to multistate corporations) Lines 8c and 8d, Form 500.
- IRS final determination is required when the Federal Audit checkbox on page one Form 500 is checked
- The federal form when not supported as a XML by the IRS.

Schedule 500CR PDF Attachments

The PDF attachment(s) for the following credits is optional. ***A missing document letter requesting a copy of the attachment in paper format, will be sent out to the users if the credits on Schedule 500CR (listed below) are claimed and PDF attachment(s) are not received along with the Virginia Return. This will delay the processing of the return and the credit could be denied.***

- **Enterprise Zone Act Credit** – Attach Form 301
- **Recyclable Materials Processing Equipment Credit** – Approval Form 50-11S from the Department of Environmental Quality, as well as receipts, invoices or other documentation to confirm purchase price paid.
- **Conservation Tillage Equipment Credit** – Statement showing purchase date, description and credit computation.
- **Vehicle Emissions Testing Equipment Credit** – Copy of the letter from the Department of Environmental Quality (DEQ) to the equipment vendor certifying that the equipment configuration meets the regulation and equipment specification requirements for use in the enhanced vehicle emissions inspection program.
- **Foreign Source Retirement Income Tax Credit** – Copy of the tax return filed in the other country or other proof of income tax paid to the foreign country and a schedule showing computation of foreign currency converted to United States Dollars.
- **Waste Motor Oil Burning Equipment Credit** – Approved Form 50-12 from the Department of Environmental Quality, receipts, invoices or other documentation to confirm purchase price paid.
- **Biodiesel and Green Diesel Fuels Tax Credit** – Attach the letter of certification from the Virginia Department of Taxation authorizing the credit.
- **Coalfield Employment Enhancement Tax Credit and Virginia Coal Employment and Production Incentive** – Form 306 with completed schedules, if appropriate. See "What to Attach" on the instructions for Form 306 for additional attachment requirements and information.

Timely Filing

Prescribed due dates for filing of returns apply to corporate e-File returns. If the due date falls on a Saturday, Sunday or legal holiday, the return is due on the next business day.

EROs MUST ensure that returns are processed timely. Until the return is acknowledged as having been accepted by Virginia, the return is not considered filed.

Perfection Periods for Rejected Submissions

Virginia does not follow the IRS return perfection period. ***A return MUST be transmitted and accepted by the due date of the return to be considered timely filed.***

Form VA-8453C – Please ensure that Form-8453C is **printed only when the Practitioner PIN method is not utilized**. This form is required when the PIN method is not utilized. The tax professional or taxpayer, if self prepared, should retain either in the electronic format or the paper format for three years from the due date or the filing date, whichever is later.

Form VA-8879C - This form must be completed when a corporate electronic return is being signed using the Practitioner PIN method. Both the taxpayer(s) and ERO must sign Form VA-8879C. When the Practitioner PIN Method is used, Form VA-8879C takes the place of Form VA-8453C. The form should be retained either in the electronic format or the paper format by the ERO for a minimum of three years from the due date of the return or the file date, whichever is later.

Electronic Signature and Storage (ESS) for Forms VA-8453C and VA-8879C

The Department allows the alternative signature methods for Electronic Return Originators (EROs). EROs may sign Forms VA-8453C and VA-8879C by rubber stamp, mechanical device (such as signature pen) or computer software program. The signature must include either a facsimile of the individual ERO's signature or of the ERO's printed name. EROs using one of these alternative means is personally responsible for affixing their signatures to returns or requests for extension. ***The ERO must retain Forms VA-8453C and/or VA-8879C for three years from the due date of the return, or the filing date, whichever is later. EROs must not send Forms VA-8453C and/or VA-8879C to the Department.***

Software Issues

The Virginia Department of Taxation does not develop or sell tax preparation or electronic return data transmission software. If facing software issues, Providers should contact the vendor who sold them the software or the technical support operation that comes with the software package.

Help Desk

Electronic Return Originators (EROs), and Tax Preparers who need assistance can contact the Business e-File Help Desk by sending an email at **bus_efile@tax.virginia.gov**.

Electronic Return Origination

Obtaining, Handling and Processing Return Information

An ERO originates the electronic submission of a return after the taxpayer authorizes the filing of the return via e-file. ***The ERO must always:***

- Have either prepared the return or collected it from a taxpayer;
- Identify the paid preparer (if any) in the appropriate field of the returns it originates;
- Ensure the PTIN (preferred) or SSN of the individual who prepared the return is present.

Safeguarding e-file From Fraud and Abuse

While all Providers must be on the lookout for fraud and abuse, the ERO's must be particularly diligent while acting in their capacity as the first contact with taxpayers filing a return. ***Providers must cooperate with the Department's investigations related to the potential fraud or abuse.***

Refund Returns - Taxpayers may opt to have their overpayment issued in the form of a refund check or opt to have all or part of their refund applied to their estimated taxes for the next year.

EROs should advise taxpayers that they can avoid refund delays by:

- Having all of their taxes and obligations paid
- Providing current and correct information to the ERO
- Ensuring the information on the tax return is correct before signing it.

Signing an Electronic Return

As with an income tax return submitted to the IRS on paper, the taxpayer and paid preparer (if applicable) must sign an electronic income tax return. Taxpayers must sign corporate income tax returns electronically. There are currently two methods for signing corporate income tax returns electronically (see Electronic Signature Methods, below).

Self-Select PIN is one of these methods. This method may be completely paperless if the taxpayers enter their own PINs directly into the electronic return record using key strokes after reviewing the completed return. The Self-Select PIN (Personal Identification Number) method allows taxpayers to electronically sign their e-filed return by selecting a five-digit PIN as their signatures. The five-digit Self-Select PIN can be any five numbers except all zeros. Taxpayers may also authorize EROs to enter PINs on their behalf, in which case the taxpayers must review and sign in a completed signature authorization form after reviewing the return.

Practitioner PIN is the other method. When using the Practitioner PIN method, taxpayers must always appropriately sign a completed signature authorization form. Taxpayers, who use the Practitioner PIN method and enter their own PINs in the electronic return record using key strokes after reviewing the completed return, must still appropriately sign the signature authorization form.

Regardless of the method of electronic signatures used, taxpayers may enter their own PINs; EROs may select and enter the taxpayers' PINs; or the software may generate the taxpayers' PINs in the electronic return. After reviewing the return, the taxpayers must agree by signing an e-file signature authorization containing the PIN.

EROs should advise taxpayers to keep a copy of their completed tax return to assist with authentication in the subsequent years.

E-file Signature Authorization

When taxpayers are unable to enter their PIN directly in the electronic return, taxpayers authorize the ERO to enter their PINs in the electronic return record by signing the appropriate completed IRS e-file signature authorization form. The ERO may enter the taxpayers' PINs in the electronic return record before the taxpayers sign Form 8879C, but the taxpayers must sign and date the appropriate form before the ERO originates the electronic submission of the return. Taxpayers and ERO representative must always complete and sign Form 8879C for the Practitioner PIN method of electronic signature.

Providing Information to the Taxpayer

The ERO must provide a complete copy of the return to the taxpayer. EROs may provide this copy in any media, including electronic, that is acceptable to both the taxpayer and the ERO. The copy need not contain the social security number of the paid preparer. The ERO should advise the taxpayer to retain a complete copy of the return and any supporting material for three years.

Acknowledgements of Transmitted Return Data

Virginia Department of Taxation electronically acknowledges the receipt of all transmissions. Returns in each transmission are either accepted or rejected for specific reasons. If an electronic acknowledgement has not been received within two business days for any transmitted return the ERO should contact the Business e-File Help Desk at **bus_efile@tax.virginia.gov**. The ERO is responsible for ensuring that each transmission is acknowledged.

Accepted returns meet the processing criteria and Virginia Department of Taxation considers them "filed." Rejected returns fail to meet processing criteria and the Department considers them "not filed." The acknowledgement identifies the source of the problem using a system of error reject codes. The error reject codes tell why the return rejected. Information regarding reject codes is available in Appendix A & B. The ERO should check acknowledgement records regularly to identify returns requiring follow up action and should take reasonable steps to address issues identified on acknowledgement records. The return can then be re-transmitted as an "Unlinked" transmission. The acknowledgement files must be retained for one year after transmission.

Resubmission of Rejected Tax Returns

If the Department rejects the electronic portion of a taxpayer's corporate income tax return for processing, and the ERO cannot rectify the reason for the rejection, the ERO must take reasonable steps to inform the taxpayer of the rejection within 24 hours. The ERO must provide the taxpayer with the reject code(s) accompanied by an explanation. If the taxpayer chooses not to have the electronic portion of the return corrected and transmitted to the Department, or if the Department cannot accept the return for processing, the taxpayer must file a timely paper return.

Note: Virginia does not follow the IRS return perfection period. A return must be transmitted and accepted by the due date of the return to be considered timely filed.

Electronic Funds Withdrawal – Direct Debit

Effective with Taxable Year 2012 returns, all corporations must pay the tax due payment through the e-file system as a direct debit or with an ACH Debit established through the corporation's bank.

Prior to initiating an ACH Debit transaction, be sure to notify your bank that the Department of Taxation is authorized to debit your bank account. Some banks use a "filter", which prevents unauthorized debits against a customer's account to occur. If your bank requests a filter number or Company ID for the debit transactions, please call 804-367-8037 to obtain this number. If your bank denies your EFT payment, the denial is handled like a returned check and late payment charges will apply.

Taxpayers can schedule a payment for withdrawal on a future date. Scheduled payment must be effective on or before the return due date. ***For returns transmitted after the due date, the payment date must be same as the date the Provider transmitted the return.***

Refund Offsets

Taxpayers often ask EROs to help them when refunds are reduced more than expected. Before issuing any tax refunds Virginia Department of Taxation will first verify if the taxpayer owes the Commonwealth of Virginia for any outstanding debts:

- If taxpayer owes the Department for previous tax years, the Department will withhold all or part of taxpayer's tax refund and apply it to the outstanding tax bill(s). If this occurs, the Department will send taxpayer a letter identifying the specific bill(s) owed by the taxpayer and how much of the tax refund was applied.
- If taxpayer refund is reduced to satisfy any debt owed to the Commonwealth, a refund will be issued for the residual balance.

Appendix A – Schema Validation Business Rules

Rule Number	Business Rules
VAFORMS - 002	The PDF Files cannot be found in the submission.
VAFORMS - 003	The document ID could not be found in the submission.
VAFORMS - 004	Document does not pass the schema validation.
VAFORMS – 005	IRS information is missing.

Appendix B – Business Rules for Tax Year 2012

Form 500

Rule Number	Business Rules
500-003	Federal Forms 1120, 1120F, 1120-POL, 990, 990EZ, 990N and 990PF must exist. PDF must exist when the Attaching PDF Checkbox is populated.
500-004	Tax Year must equal the current Tax Year being supported.
500-005	Begin Date and End Date are required when the return is a fiscal or short year return.
500-019	Schedule 500A is required when the Multistate Schedule 500A Checkbox is populated.
500-020	Schedule 500AC must exist when Combined – Schedule 500AC Attached Checkbox is populated. Tax return computation documentation must be present when Combined – Schedule 500AC Attached Checkbox is populated
500-032	Schedule 500ADJ must exist when Form 500 Lines 2 and/or 4 are populated.
500-036	Form 500 Line 7 must equal the sum of Lines 1 and 2 and minus the sum of Lines 4 and 6.
500-039	Form 500 Line 8c must equal Schedule 500A Section B Line 3c when Combined - Sch 500AC Attached Checkbox is not populated.
500-040	Form 500 Line 8d must equal Schedule 500A Section B Line 3e when Combined - Sch 500AC Attached Checkbox is not populated.
500-041	Form 500 Line 9 must equal $.06 \times$ Line 8a when Combined - Sch 500AC Attached Checkbox is not populated.
500-042	Form 500 Line 9 must equal $.06 \times$ Line 7 when Combined - Sch 500AC Attached Checkbox is not populated.
500-043	Form 500 Line 10 must equal to Schedule 500CR, Part XXX Line 134. Schedule 500CR must exist when Form 500 Line 10 is greater than zero.
500-044	Form 500 Line 11 must equal to Line 9 minus Line 10 when Corporate or Noncorporate Telecommunications Company and/or the Electric Supplier Company indicators are not populated.
500-047	Form 500 Line 14 must equal to Schedule 500CR, Part XXXIV Line 142. Schedule 500CR must exist if Line 14 is greater than zero.
500-048	Form 500 Line 15 must equal to Schedule 500ADJ Section D, Total Withholding.

Form 500

Rule Number	Business Rules
500-049	Form 500 Line 16 must equal the sum of Lines 12, 13, 14 and 15.
500-050	Form 500 Line 17 must equal Line 11 minus Line 16.
500-057	Form 500 Line 24 must equal Line 22 minus Line 23.
500-059	Vendor ID must be valid/approved.
500-061	Schedule 500AC must exist when Consolidated – Schedule 500AC Attached Checkbox is populated.
500-062	Schedule 500C must exist when Line 20 is populated with a value greater than zero.
500-063	Form 500 Line 20 must equal Schedule 500C, Line 17 when Line 20 is populated with a value greater than zero.
500-065	Schedule 500ADJ must be present when Amended Return checkbox is populated.
500-067	Schedule 500A must be present when Schedule 500A Changes checkbox is populated.
500-068	Schedule 500CR must be present when Nonrefundable or Refundable Credit Change checkbox is populated.
500-069	Schedule 500AB must be present when Schedule 500AB Changes checkbox is populated.
500-070	Form 500T and/or Schedule 500EL must be present when corporate or noncorporate telecommunications company and/or the electric supplier company indicators are populated.
500-071	FEIN cannot duplicate the FEIN of a previously accepted return for the tax year being filed.

Schedule 500A

Rule Number	Business Rules
500A-029	Schedule 500A Section A Line 1, Line 2, Line 3, Line 4, Line 5, Line 6 or Line 7 must be populated when Schedule 500A is present.
500A-030	Schedule 500A Section A Lines 2a and 2b must be populated when Section A, Line 2 checkbox is populated.
500A-031	Schedule 500A Section A Line 2a must equal to or greater than 07/01/2011 when Section A Line 2 checkbox is populated.
500A-032	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section A, Line 3, Exception 1 or Exception 2 checkbox is populated when Motor Carriers Apportionable Income is not applicable with Schedule 500A Section B Line 1 populated.
500A-033	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B, Line 1 Column 3 Percentage must equal Column 2 divided by Column 1.
500A-034	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B, Line 2a Column 3 Percentage must equal Column 2 divided by Column 1.
500A-035	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B, Line 2b Column 3 Percentage must equal Column 2 divided by Column 1.
500A-036	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B, Line 2c Column 3 Percentage must equal Column 2 divided by Column 1.
500A-037	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B Line 2d must equal the Sales Factor percentage on Section B Line 2c times 2.
500A-038	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B Line 2e must equal the Sales Factor percentage on Section B Line 2c times 3.
500A-039	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B Line 2f must equal the sum of percentages in Section B Lines 2a, 2b and 2d Column 3 Percentages.
500A-040	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B Line 2f must equal the sum of percentages in Section B Lines 2a, 2b and 2e Column 3 Percentages.
500A-041	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B Line 2g must be the percentage amount equal to Section B Line 2f divided by the number 4 or the number 4 reduced by the number of factors, if any, having no denominator.
500A-042	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B Line 2g must be the percentage amount equal to Section B Line 2f divided by the number 5, or the number 5 reduced by the number of factors, if any, having no denominator.

Schedule 500A

Rule Number	Business Rules
500A-043	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B Line 3a must equal Form 500, Line 7.
500A-045	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B Line 3c, must equal Form 500, Line 8c.
500A-046	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B Line 3e, must equal Form 500 Line 8d.
500A-047	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B Line 3f, must equal the sum of Section B Lines 3b and 3c minus Section B Line 3e,
500A-048	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B 3g must equal Section B Line 3a less Section B Line 3f.
500A-049	<p>If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B Line 3h must equal Section B Line 3g x Section B Line 1 Col 3.</p> <p>If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B Line 3h must equal Section B Line 3g X Section B Line 2g Col 3.</p>
500A-051	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B Line 3j must equal Section B Line 3h plus Section B Line 3i.
500A-052	If the Combined - Sch 500AC Attached Checkbox is not populated, Schedule 500A Section B Line 3j must equal Line 8a of Form 500.

Schedule 500AB

Rule Number	Business Rules
500AB-011	Schedule 500AB Line 10 must equal Form 500ADJ Section A Line 3.

Schedule 500AC

Rule Number	Business Rules
500AC-005	All applicable columns for Affiliates must be populated on Schedule 500AC when Consolidated or Combined Checkbox is populated on page 1 of Form 500.

Schedule 500ADJ

Rule Number	Business Rules
500ADJ-007	Form 500ADJ Section A Line 3 is greater than zero, Schedule 500AB must exist.
500ADJ-010	Schedule 500ADJ Section A Line 7 must equal the sum of Lines 1-6c. Schedule 500ADJ Section A Line 7 must equal form 500 Line 2.
500ADJ-019	Explanation must be provided for Subtraction Code 99.
500ADJ-020	Schedule 500ADJ Section B Line 10 must equal the total of Lines 1 – 9c. Schedule 500ADJ Section B Line 10 must equal Form 500 Line 4.
500ADJ-022	Form 500 Line 15 must equal Schedule 500ADJ Section D-Schedule of VK-1 Withholding.
500ADJ-023	Explanation must be provided for Addition Code 99.

Schedule 500C

Rule Number	Business Rules
500C-001	Exception 3 Explanation Box must be populated when Form 500C Line 12 is populated.

Schedule 500CR

Rule Number	Business Rules
500CR-119	Schedule 500CR Part XXX Line 134 must equal the sum of all Nonrefundable credits being claimed.
500CR-120	Schedule 500CR Part XXX Line 134 must equal Form 500, Line 10.
500CR-121	Schedule 500CR Part XXXIV Line 142 must equal the sum of all Refundable credits being claimed.
500CR-122	Schedule 500CR Part XXXIV Line 142 must equal Form 500, Line 14.

Financial

Rule Number	Business Rules
FIN-001	Requested Payment Date is always required if State Payment is filed with the return.
FIN-011	State Payment identified as International ACH Transaction (IAT) is not eligible for e-File.
FIN-015	Bank Account Number cannot equal all zeros.
FIN-019	Bank Routing and Transit Number cannot equal all zeros.
FIN-033	For timely filed returns, the direct debit date must be on or before Return Due Date and must be in the current year.
FIN-034	Returns filed after Return Due Date, the direct debit date must equal to the Return Submit date and must be in the current year.
FIN-100	Payment Amount cannot exceed the amount owed and the amount owed must be greater than zero.

**Appendix C – Displayed Acknowledgement Error
For Tax Year 2012 Rejects
Form 500**

Rule Number	Displayed Acknowledgement Error
500-003	Federal return is missing.
500-004	Tax Year is incorrect.
500-005	Tax Begin Date and/or End Date is missing.
500-019	Schedule 500A is missing.
500-020	Schedule 500AC is missing.
	Tax return computation documentation is missing.
500-032	Schedule 500ADJ is missing.
500-036	Form 500 Line 7 does not equal the sum of Lines 1 and 2 minus the sum of Lines 4 and 6.
500-039	Form 500 Line 8c does not equal Schedule 500A Section B Line 3c.
500-040	Form 500 Line 8d does not equal Schedule 500A Section B Line 3e.
500-041	Form 500 Line 9 does not equal .06 x Line 8a.
500-042	Form 500 Line 9 does not equal .06 x Line 7.
500-043	Form 500 Line 10 does not equal Schedule 500CR Line 134.
	Schedule 500CR is missing.
500-044	Form 500 Line 11 does not equal Line 9 minus Line 10.
500-047	Form 500 Line 14 does not equal Schedule 500CR Line 142
	Schedule 500CR is missing.
500-048	Form 500 Line 15 does not equal to Schedule 500ADJ, Section D, Total Withholding.
	Schedule 500ADJ is missing.
500-049	Math error on Form 500 Line 16.
500-050	Math error on Form 500 Line 17.
500-057	Math error on Form 500 Line 24.
500-059	Invalid Vendor ID.
500-061	Schedule 500AC is missing.
500-062	Schedule 500C is missing.
500-063	Form 500 Line 20 does not equal Schedule 500C Line 17.
500-065	Schedule 500ADJ is missing.
500-067	Schedule 500A is missing.
500-068	Schedule 500CR is missing.
500-069	Schedule 500AB is missing.
500-070	Forms 500T and/or 500EL is/are missing.
500-071	FEIN cannot duplicate the FEIN of a previously accepted return for the tax year being filed.

Schedule 500A

Rule Number	Displayed Acknowledgement Error
500A-029	One of the Checkboxes in Schedule 500A Section A, Line 1, Line 2, Line 3, Line 4, Line 5, Line 6 or Line 7 should be marked.
500A-030	Schedule 500A Section A Lines 2a and/or 2b are blank.
500A-031	Schedule 500A Section A Line 2a is not equal to or greater than 07/01/2011.
500A-032	Schedule 500A Section B Line 1 is blank.
500A-033	Math error on Schedule 500A Section B Line 1.
500A-034	Math error on Schedule 500A Section B Line 2a.
500A-035	Math error on Schedule 500A Section B Line 2b.
500A-036	Math error on Schedule 500A Section B Line 2c.
500A-037	Math error on Schedule 500A Section B Line 2d.
500A-038	Math error on Schedule 500A Section B Line 2e.
500A-039	Math error on Schedule 500A Section B Line 2f.
500A-040	Math error on Schedule 500A Section B Line 2f.
500A-041	Math error on Schedule 500A Section B Line 2g.
500A-042	Math error on Schedule 500A Section B Line 2g.
500A-043	Schedule 500A Section B Line 3a does not equal Form 500, Line 7.
500A-045	Schedule 500A Section B Line 3c, does not equal Form 500, Line 8c.
500A-046	Schedule 500A Section B Line 3e, does not equal Form 500 Line 8d.
500A-047	Math error on Schedule 500A Schedule 500A Section B Line 3f.
500A-048	Math error on Schedule 500A Schedule 500A Section B Line 3g.
500A-049	Math error on Schedule 500A Section B Line 3h.
500A-051	Math error on Schedule 500A Section B Line 3j.
500A-052	Schedule 500A Section B Line 3j does not equal Line 8a of Form 500.

Schedule 500AB

Rule Number	Displayed Acknowledgement Error
500AB-011	Schedule 500AB Line 10 does not equal Form 500ADJ, Section A, Line 3.

Schedule 500AC

Rule Number	Displayed Acknowledgement Error
500AC-005	List of Affiliates is/are missing FEIN, Name and Address and Date on Schedule 500AC.

Schedule 500ADJ

Rule Number	Displayed Acknowledgement Error
500ADJ-007	Schedule 500AB is missing
500ADJ-010	Math error on Schedule 500ADJ Section A Line 7.
	Schedule 500ADJ Section A Line 7 does not equal Form 500 Line 2.
500ADJ-019	Explanation for the Subtraction Code 99 is missing.
500ADJ-020	Math error on Schedule 500ADJ Section B Line 10.
	500ADJ Section B Line 10 does not equal Form 500 Line 4.
500ADJ-022	Form 500 Line 15 does not equal Schedule 500ADJ Section D
500ADJ-023	Explanation for the Addition Code 99 is missing.

Schedule 500C

Rule Number	Displayed Acknowledgement Error
500C-001	Exception 3 Explanation Box is blank.

Schedule 500CR

Rule Number	Error Displayed Acknowledgement
500CR-119	Math error on Schedule 500CR Line 134.
500CR-120	Schedule 500CR Line 134 does not equal Form 500 Line 10.
500CR-121	Math error on Schedule 500CR Line 142.
500CR-122	Schedule 500CR Line 142 does not equal Form 500 Line 14.

Financial

Rule Number	Displayed Acknowledgement Error
FIN-001	Payment date is missing.
FIN-011	State Payment identified as International ACH Transaction is not eligible for e-File.
FIN-015	Error on Bank Account Number.
FIN-019	Error on Bank Routing and Transit Number.
FIN-033	Direct Debit date must be on or before Return Due Date.
FIN-034	Direct Debit date must be equal to the Return Submission date.
FIN-100	Error on Payment amount.